



**Testimony of AARP on HB 5544
An Act Concerning Storm Preparation and Emergency Response**

**Energy and Technology Committee
March 20, 2012**

AARP is an organization that helps people 50+ live their best life. We are a nonprofit, nonpartisan social mission organization with nearly 600,000 Connecticut members. AARP supports HB 5544. While AARP has suggestions regarding the proposed legislation, we support the overall intent to require the Public Utilities Regulatory Authority to adopt enforceable reliability-related performance standards and to hold the state's utilities accountable if those annual standards are not met.

The public understands that utilities cannot guarantee uninterrupted service for every single day and every single hour. Furthermore, it is expected that major storms will produce outages and that outage restoration can sometimes take more time than we would all like if many power lines and distribution poles must be repaired. However, when outages are frequent and/or lengthy and when utility customer communications about outages is poor or nonexistent, customer frustration increases. Even worse, these conditions create potentially dangerous health and safety concerns for customers, including customers who are the most vulnerable within our community, i.e., young children, the medically frail, and those aged 65 and older who need access to heat in the winter, cooling in the summer, and power to operate needed medical equipment as part of their daily living needs.

AARP's goals for legislation on storm preparation and response are that:

- **PURA should develop standards for storm and emergency preparedness and response.**
- **Utilities should be required to develop and submit for approval an emergency response plan pursuant to the standards.**
- **Utilities should be required to regularly report on response to storms and other emergencies.**
- **Standards should be enforceable and utilities should be subject to penalties on the utility for failure to comply.**

HB 5544 requires PURA to develop standards for storm preparedness

The bill at section (1) (c) requires PURA to establish standards related to storm preparation and response. The bill directs PURA to address key areas, such as staffing, mutual aid agreements and communications. Of particular note, the standards would include communications with the public. In addition to requiring communication, the standards should ensure that customer calls are answered with responsive information, either through a voice response menu or by speaking to a live customer service representative. In other words, it is insufficient that calls are answered promptly if the customer call center cannot provide useful information about restoration activities.

HB 5544 requires regular reporting on the utility's response to storms and other emergencies.

HB 5544 at section 2 (a) requires regular reporting and (b) allows PURA to require supplemental reports.

HB 5544 includes penalties and credits to ratepayers for noncompliance.

The only way that this bill will be effective is if the utility is at risk of penalty for failure to meet the standards set by PURA. HB 5544 at Section 2 (e) and (f) gives PURA the authority to impose a penalty of up to \$20 million, specifies the penalty cannot be recovered from ratepayers, and provides that the penalty shall be returned to ratepayers as a credit. The bill also provides for reducing executive compensation as a penalty for poor performance. AARP supports these provisions which ensure the utility's shareholders should be held accountable for failing to meet the standards adopted by PURA.

HB 5544 does not explicitly require utilities to develop and submit for approval an emergency response plan pursuant to the standards.

AARP recommends clarifying that each utility should submit a plan in response to the standards developed by PURA under Section 1 (c). This is the approach enacted in Massachusetts after the experience of several major storms in the winter of 2007.

Undergrounding of lines

AARP also supports the bill's approach to the undergrounding of lines (Sections 5, 6, 7, 10 and 11). While underground lines are less susceptible to storm damage, it is prohibitively expensive to move all lines underground. The bill take a reasonable approach by having the utility consider whether underground lines would be cost effective at certain key junctures, such as when roads and buildings are under construction.